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Tēnā koe

2020 Funding and 2019 final wash-ups

Given the events of the last week I am writing to provide you with immediate clarity regarding your TEC 2020 Investment Plan funding and Fees Free payments, and the funding wash-up process for 2019.

2020 Funding, Fees Free, and EPIs

Last week the Minister of Education (the Minister) confirmed that your 2020 funding for Investment Plans and Fees Free will continue. In addition, the Minister confirmed we will not be required to recover any Investment Plan funding because of either, poor Education Performance Indicators (EPIs), or under-delivery during the 2020 year. All other standard funding conditions still apply.

These assurances are designed to ensure your 2020 delivery to domestic learners can continue despite disruptions caused by COVID-19. You will continue to receive your monthly funding allocation as per your agreed 2020 payment schedule for Investment Plan funding and Fees Free. Your scheduled payments will remain the same as we will not seek to re-baseline TEOs due to potentially lower enrolments in 2020.

For the avoidance of doubt, there will also be no recovery of funding in 2021 due to under-delivery in the 2020 year, and no consequences for non-achievement of EPIs in 2020.

Where TEOs can show increased demand during 2020, we will consider additional funding requests as per our usual business processes, subject to funding being available.

2019 funding wash-up process

We normally run our wash-up process for the previous year in April of the following year. Therefore, the 2019 wash-up payments were planned to be processed on 1 April 2020, generally as set-offs to any other payments due to you on that date.

I have discussed with the Minister whether the 2019 recoveries process should proceed and he agreed with my advice that it should. The wash-ups relate to a regular business period prior to the impacts of COVID-19, and we have already recovered funding from many TEOs during 2019, so to not do so for others would be inequitable. I am comfortable that as a matter of principle this is the right course of action to take. The funding recovered will be reinvested straight back into the sector in some form.

However, I am acutely aware of the stress and uncertainty the current situation will be causing you. I would like to allow TEOs time to consider whether they need to implement a repayment plan with



us, rather than a one off, set-off payment. To allow time for TEOs to do this, and to have a conversation with us, we will action any 2019 wash-ups on 1 May 2020, not 1 April 2020 as previously planned. The exception is where we owe you extra funding due to Flexible Funding or similar arrangements. Those positive payments will still be actioned on 1 April.

We will provision your final 2019 wash-up letters to Workspace2 in the next week. However, you can review your figures in the 'My Allocations and Payments App' in the meantime.

If you did not submit your December 2019 Single Data Return, and/or your final 2019 delivery data to Workspace2, your final wash-up amount is based on the most recent 2019 data we hold. The methodologies we used to calculate the 2019 fund wash-ups are on our website in the Fund Finder section. Any Fees-Free wash-up is based on your 'all enrolments and costs' data submitted in January 2020, and the SDR data submitted as at 31 January 2020. The Fees Free methodology can also be found on our website.

Actions you need to take

1. Repayment Plan Request

Once you receive your final 2019 wash-up letter on Workspace2, if you feel you are unable to meet the repayment deadline, you can request a re-payment plan. To request a re-payment plan please email us on customerservice@tec.govt.nz with the subject line 'EDUMIS wash-up re-payment request'. We will then send you a form to complete and assess your request. Decisions will be made on a case-by-case basis, *or*

2. Deposit amount owing to TEC

Once you receive your final 2019 wash-up letter on Workspace2, if you would prefer to deposit the amount owing to us, please contact us on customerservice@tec.govt.nz with the subject line 'EDUMIS wash-up deposit request' to confirm you will be making the deposit so we cancel the set-off. The bank account details will be on your remittance advice form in your final wash-up letter, *or*

3. Continue with set-off

If you are comfortable continuing with the 2019 final wash-up amount being set-off as per your final wash-up letter, there is nothing further you need to do and we thank you for committing to the repayment during this time.

If you wish to discuss this letter further, please contact the Customer Contact Group on 0800 601 301 or email customerservice@tec.govt.nz.

Nāku noa, nā



Tim Fowler
Chief Executive



We ensure New Zealand's future success.